

# Problems of the Livestock Industry.



A brief  
presented to

Representatives of the Federal  
Cabinet

at Ottawa, May 10, 1940

*by*

the Executive,

Canadian Federation of Agriculture





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	Canada	Saskatchewan	Alberta
1927	4,694,000	617,000	743,000
1928	4,497,000	632,000	680,000
1929	4,381,000	603,000	770,000
1930	4,000,000	498,000	636,000
1931	4,700,000	500,000	1,052,000
1932	4,632,000	525,000	1,118,000
1933	3,831,000	432,000	954,000
1934	3,831,000	432,000	954,000
1937	3,863,000	484,000	774,000
1938	3,487,000	413,000	707,000







# PROBLEMS OF THE LIVESTOCK INDUSTRY

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## A Brief Presented to REPRESENTATIVES OF THE FEDERAL CABINET at Ottawa, May 10, 1940

By the Executive  
CANADIAN FEDERATION OF AGRICULTURE

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### The Livestock Industry and Agricultural Policy

The agricultural industry of Canada is threatened by external and internal conditions with which it is confronted. Since 1929-30 we have been facing a crisis in respect to wheat--a crisis arising from the fact of a violent contraction in the world demand for that product and the maintenance of full acreages in the leading exporting countries. This situation has periodically brought about large supplies of surplus wheat and has caused governmental intervention on a wide scale to maintain certain minimum levels of well-being in all the major wheat exporting areas.

The most optimistic view that can be taken of the wheat situation at the present time, is that there will be recurring surpluses when average or better production is experienced in the exporting countries. Anything that may now be done to find alternative uses for our land will probably mean a sounder wheat industry and a substantial easing of national problems now involved in maintaining the wheat industry in its present proportions in the face of smaller world markets for wheat.

It is therefore important for us to establish the extent to which the livestock industry can contribute to an easing of the fundamental problem of agriculture, and how far it can offer a more balanced program on Canadian farms, and how far it can make up for the shortage in markets now being experienced in respect to wheat. The general agricultural situation suggests that our livestock policies should be very carefully reviewed and that any obstacle standing in the way of the development of this industry should, as far as possible, be removed.

### Hog Production--Record Not Impressive

While Canada has been struggling with the problem of marketing wheat surpluses, the swine industry has not responded to market export opportunities, a situation of national concern.

The following table shows the numbers of swine in Canada on June 1st of each year from 1927 to 1938, along with similar figures for the provinces of Manitoba, Saskatchewan and Alberta.

	<u>Canada</u>	<u>Manitoba</u>	<u>Saskatchewan</u>	<u>Alberta</u>
--June--				
1927	4,694,000	387,000	617,000	743,000
1928	4,497,---	330,000	602,000	680,000
1929	4,381,000	295,000	600,000	770,000
1930	4,000,000	271,000	498,000	636,000
1931	4,700,000	390,000	949,000	1,052,000
1932	4,639,000	338,000	898,000	1,118,000
1933	3,801,000	262,000	649,000	954,000
1934	3,654,000	242,000	596,000	896,000
1935	3,549,000	183,000	514,000	809,000
1936	4,145,000	269,000	667,000	878,000
1937	3,963,000	228,000	454,000	774,000
1938	3,487,000	219,000	268,000	707,000

It will be noted from the above table, that in spite of the great enlargement in the market for Canadian bacon, as a result of the Ottawa Agreements of 1932, there has not been a significant response as far as the swine industry in Canada is concerned. At no time since 1932 has our hog population equalled the hog population of that year. We realized that since 1932 we have had varying conditions in respect



to feed supplies, but even after allowing for these circumstances there cannot be said to have been a reasonable response to market opportunities. Since 1932, the general position has been one of low grain prices which should have served as a stimulant to hog production.

In Manitoba the record is significant. In spite of determined promotional work the swine industry has been relatively static and the number of hogs in Manitoba in June 1938, was over 100,000 less than on the same date in 1932.

In this connection, we cannot help but comment upon the situation which has existed this year when insufficient numbers of hogs were forthcoming to provide adequately for the domestic and export market. The result was over 42 million pounds of pork have been imported into this country since June 1st 1939 to April 1st 1940. We submit that this is a matter which should be given very serious consideration by those charged with the responsibility of developing the swine industry in Canada.

It is our point of view that lack of confidence in the present marketing system has been, and is, the chief factor militating against the progressive growth of the hog industry. We feel that the road to an adequately developed swine industry in Canada lies in the direction of bringing our marketing system to the point where it enjoys the full confidence of the man behind the industry--the producer. Had this essential confidence been in existence throughout the years we feel that there would have been adequate response to the market opportunities which this country has had. We cannot change past developments, but we can, in a wholehearted manner, endeavour to lay plans for the future, which include a new degree of producer confidence in the industry and in the marketing of hogs.

#### The Problem

The problem of the livestock industry is basically that during the past fifteen years great changes have taken place in the buying, selling and transportation of livestock. At the present time the industry is in a transition period with the conditions which usually accompany a period of change. In the changes which have taken place in the marketing of hogs, the bargaining power of the producer has been lost with the decline of the public market. In effect, the market place where trading was carried on under competitive conditions has virtually been destroyed, and we have not yet evolved anything to take the place of the functions which were formerly a part of our public market system.

Until the relationship of the swine producer to his immediate market is greatly improved, we do not feel that the industry can take full advantage of the export opportunities which have been gained by the Dominion Government, nor by the extensive promotional work which has been and is being carried out with effectiveness by the Dominion Department of Agriculture.

#### The Purpose of a Market

The principles of a market is that a large number of buyers and a large number of sellers meet together in a market place to buy and sell a given product. This essentially involves competitive buying and selling with fair bargaining power in the hands of both buyers and sellers, and with the major supply of the product to buyers passing through the market. This definition of a market and of competitive buying and selling in the open market place is a far-cry from the conditions which now exist in respect to livestock, particularly in respect to swine.

#### Concentration in Buying

Since the last World War there has been a pronounced trend in Canada towards larger business organizations, and in many cases towards quasi-monopolistic enterprise. The meat packing industry, as well as other distributing organizations, have in general followed this trend, and a large part of the purchasing of western hogs is



represented by the purchasing of three packing concerns. Concentration of buying in the hands of a relatively few firms creates a condition of imperfect competition as markets may be unduly affected by the operation of one or all of these large buyers.

### Disorganized Selling

The concentration in the buying of livestock has been accompanied by a weakening of the position of the producer as a marketer. The protection which the producer had in the public market has now practically disappeared. It is our view that the position in respect to the marketing of livestock is simply that buying is now concentrated in a relatively few hands and selling is largely disorganized and ineffective. Under these conditions we cannot expect adequate protection of the producer's interest, nor do we expect those conditions which will make for a sound livestock industry in this country.

### The Trend Towards Direct Buying

Since 1920 a great change has taken place in the method of marketing livestock and particularly hogs. This change came in the form of direct buying by packers and the increasing circumvention of public markets. In 1920 only about 5 per cent of Canadian hogs were marketed direct to packing plants, whereas in 1938, 85 per cent of all hogs marketed went direct to packing plants.

We do not intend at this time to discuss direct buying as such or the reasons which brought it about. We do feel, however, that some of the major effects of this change must now be brought under consideration.

Whatever strength or weaknesses were involved in the public market system, it used to perform a very important function, namely that of providing a meeting place for buyers and sellers and registering price levels from day to day which reflected competitive bidding for the vast proportion of livestock marketed in Canada. At the present time, with 85 per cent of hogs now going direct to packing plants, and only 15 per cent passing through the public market, it cannot be said that the public market is a proper indicator of the value of hogs, because packing houses are to a very considerable extent now independent of supplies coming on the public market.

If the public market still serves to establish the basic price of hogs, then we cannot help but express our doubts as to the validity of the prices arrived at on the public market. We reach this conclusion for two reasons:-

- (a) Trading on the public market takes place only in respect to 15 per cent of the total produce going into the hands of buyers.
- (b) Being assured of 85 per cent of their requirements viz direct shipments, the packer today does not need to be a keen bidder on the public market. He enters the market with 85 per cent of his demand satisfied and the hogs in his own plant.

We believe that this situation is sufficient to justify the contention that price-making as far as hogs are concerned is now a matter of formality rather than fair trading.

If, as a result of direct buying, values are not finally established on the public yard, price-making for this important farm product is not a matter of public negotiation. Under these circumstances the price of hogs is largely determined on the basis of the prices which packing houses are prepared to offer on any particular day, and not as a result of a thorough bargaining process.

It may be argued that under a system of direct buying, bargaining actually does take place between the producer and the packer or his representative or his agent, insofar as the packer must offer a sufficient price to induce the producer to sell in the desired quantity. This situation, of course, is not significant in the practical marketing of hogs because, owing to the grading regulations now laid down, the



producer has little or no choice as to the time at which he will sell his product. Penalties are attached to over-weight and under-weight hogs and these strict grading regulations have limited the choice which the farmer may exercise in respect to the time at which he sells his hogs. His product must be sold no matter what the offered price may be.

In the trend towards direct buying of hogs, which we accept as inevitable, we are convinced that our price-making machinery has broken down as larger and larger numbers of hogs have circumvented the place where market prices are nominally supposed to be registered. We are further of the view that direct buying inevitably involves a new method of arriving at day-to-day prices--a method which will give the producer reasonable bargaining power in respect to the sale of his product.

#### The Producer's Position

The producer is being encouraged on the basis of governmental promotional work, and of course, on the basis of economic self-interest to produce hogs. He is being asked to improve the quality of his hogs in order that this country may participate to an increasing extent in the British bacon market. These responsibilities he would willingly assume had he a reasonable degree of confidence in the conditions under which his product is marketed. As will be indicated in this memorandum, there is confusion in respect to the conditions under which the producer markets his hogs, and in respect to the basis of hog prices. These uncertainties must, in our opinion, be removed if we are to expect the maximum results from the producer.

#### Unsatisfactory Conditions

Having dealt with the general conditions which prevail as far as the hog producer is concerned, we now wish to deal with some particular questions which we believe should be the concern of the whole industry. We wish to make it clear at this point that many of the matters to which we are about to refer are not now under governmental regulation and consequently have not been within the jurisdiction of the Livestock and Livestock Products Act or the Dominion Department of Agriculture. We wish to clearly recognize this point.

#### The Price Basis

(1) It is fundamental in respect to any farm product offered in quantity and sold by grade, that there should be the same price to each farmer marketing the same grade of product on the same market each day. This principle does not exist in respect to livestock today. Hogs are being purchased within the different provinces of Canada on many different bases. Some farmers are getting a better price than other farmers are getting for the same grade of hogs. There is discrimination as between areas within the provinces. Hogs are being purchased by drovers and agents and other buyers on many different bases. Daily settlements on our central markets reflect differing prices for the same grade of hogs.

This situation reflects in no small manner the weakness of the individual farmer as a seller of his own livestock. We do not believe that this situation is fair to the industry or fair to the producer of livestock, and we strongly submit that an equitable and uniform price system applicable to all producers must be developed in the interest of the livestock industry.

(2) Closely allied to price discrimination which exists within the provinces is the price discrimination which has existed inter-provincially. This was most in evidence in Western Canada, particularly during the latter part of 1939 and early in this year. It came to the attention of the Manitoba Federation of Agriculture that packers were paying approximately one-half a cent a pound less for Manitoba hogs than for Saskatchewan hogs. This discrimination was being brought about by the extending of a more favorable rail grade basis to Saskatchewan hogs, and the assumption by the packers of part of transportation charges on quantities of Saskatchewan hogs. The Manitoba Federation of Agriculture felt there was no justification for discrimination of this kind against the hogs of any one province, and accordingly referred the matter to the Honorable D. L. Campbell, Minister of Agriculture for the province of Manitoba.



The matter was discussed by representatives of the packing industry and representatives of the Manitoba Government. The packers agreed that a new price basis removing the discrimination against Manitoba hogs would come into effect in the first week of October.

The basis upon which Manitoba hogs were purchased remained unchanged after this discrimination was removed. This means, in fact, that if the packers removed the price discrimination against Manitoba hogs, they did so by lowering the basis upon which they purchased Saskatchewan hogs. In other words, by an absolutely arbitrary decision they were able to take one-half cent a pound off the basis upon which Saskatchewan hogs were purchased. This incident shows the arbitrary powers which can be exercised by the packing houses in western Canada in respect to prices paid to producers. We will enlarge on this situation further when we touch upon the matter of rail grading and deductions.

#### Grading and Its Problems

It will be recalled that Canada, as a consequence of war production during the years 1914 to 1918, found difficulty in marketing her bacon in the United Kingdom in the years immediately following the close of the war, as the then quality of Canadian pork products, principally bacon, was much below the standards of bacon exported by competing countries.

To aid Canadian swine producers immediate action was taken by the Federal Government through its Agricultural Department. The situation was discussed with producer representatives and it was decided that determined efforts should be made to produce a bacon type of hog. Grading standards for live grading of swine were set up with "Thick Smooth" as the basic grade, with a premium of 10 per cent above "Thick Smooth" price paid for each "Select" hog marketed, as a direct encouragement to the production of bacon hogs.

Grading regulations took effect in October, 1922, and from that date to the present concerted efforts have been made by producers to produce the type of hog required for export. The following tables bear out this fact:-

#### Summary of Hog Grading (Live Grading)

	CANADA									
	Select Bacon	Bacon	Butchers	Heavies	Extra Heavy	Light Feeders	No.1 Sows	No.2 Sows	Roughs	Stags
1938	29.58	44.59	12.64	2.58	0.91	6.06	1.04	2.21	0.19	0.20
1937	24.44	40.59	16.77	1.95	0.77	10.87	1.79	2.38	0.25	0.19
1936	24.44	42.19	17.00	2.57	0.95	8.63	1.71	2.18	0.19	0.14
1935	22.96	42.08	19.90	2.52	0.81	8.38	1.26	1.77	0.19	0.13
1934	19.10	42.53	23.18	1.90	0.70	8.96	1.38	2.00	0.12	0.13

#### Summary of Hog Carcasses Graded

	CANADA									
	A	B	C	D	E	Heavy	Extra Heavy	Light	Sows	Total
1938	32.09	50.52	5.95	0.82	3.54	3.61	0.92	0.91	1.64	100
1937	31.13	46.89	7.54	1.36	1.15	3.14	0.80	6.37	1.62	100
1936	34.59	46.99	6.30	0.91	0.79	3.44	0.85	4.93	1.20	100
1935	34.76	47.52	6.78	1.35	0.50	3.58	0.78	2.96	1.77	100

It will be noted that a 10 per cent premium for "Select" hogs over the price for "Thick Smooth" grade was agreed upon, but on all other grades purchasers, for trading purposes, determined the differentials. Changes in the grades were later made and the "Thick Smooth" was displaced by the "Bacon" grade and the "Butcher" grade was added. The premium for "Selects" was then reduced to \$1.00 per hog and the discount on the "Butcher" grade for trading purposes was first fixed at \$1.00 and later increased to \$2.00 per hog. Press announcements on Friday, November 24th 1939, indicated that an additional discount of \$1.00 would be applicable on the price of all sows marketed.

The practice of pyramiding or increasing discounts without producer consideration is, in our opinion, unfair to producers.

It is our view that some government control should be exercised in respect to discounts. During the past year we have seen the range of discounts practically doubled on the basis of an arbitrary decision made by the meat packers themselves. We feel that the producer has an important interest in these discounts and that changes in discounts should not be established before consultation with representatives of producers, and that in connection with the whole matter of discounts there should be a final referee who would act impartially. The arbitrary increasing of discounts without notice, involves in fact a measure of confiscation as far as the producer is concerned, and when these discounts are increased as they were during January 1939, a great deal of dissatisfaction and uncertainty arises in the mind of the producer. We suggest that the arbitrary control of these matters by the packer, acting in collusion in this instance, is not in the interests of the progressive development of the swine industry.

#### Price Differentials--Grades Live Hogs

In view of the fact that quality in hog production must be maintained to meet United Kingdom requirements especially at the close of the present war, swine producers are in agreement that some method must be employed by which price differentials, as between grades, can be regulated by an independent body.

However, in view of the fact that Canadian bacon is being purchased at a flat price by the Government of Great Britain; in view of the fact that prices for fats and lards have now materially increased, and because of a widening of export regulations which permit the export of lower grade bacon, we submit that all price differentials as now existing must be reviewed.

#### Carcass Grading of Hogs

In recent years, to further improve the classification of market hogs, a voluntary system of carcass grading was set up by the Dominion Department of Agriculture. It is the general belief that carcass grading is more accurate than live grading, when properly applied, and where the interests of producers are safe-guarded. In this belief we concur, but we cannot agree that a trade practice which would require producers to sell on a rail basis, is just to producers, until regulations are set up to definitely safe-guard the producer's interest.

The specifications in respect to various grades under carcass grading are quite definitely set out by Dominion government regulations. These specifications, however, do not make mention of the average yield or dressing percentage for carcass-graded hogs to be used as a basis for payment on hogs graded in relation to the price paid for hogs graded alive. Those who purchase and slaughter the hogs have been permitted to determine upon what yield carcass-graded hogs shall be paid the seller. This privilege appears to us as being open to abuse and in our opinion can be and has been employed to the disadvantage of the producer.

We were given to understand that when carcass grading was offered producers, sufficient numbers of tests were performed by the Dominion Department of Agriculture to determine what in their opinion was an equitable average yield or dressing percentage for hogs carcass graded. Thus we understand that an average yield of 75% in Eastern Canada and 73.5 in Western Canada was arrived at as an equitable average yield. Today there is apparently no definite average yield basis upon which all carcass-graded hogs are purchased. Some of the hogs sold in Western Canada by producers have been bought at a basis ranging upward from 72 per cent. We fail to see the reason why processors disregarded the yield of 73.5 per cent as originally accepted when carcass grading was first undertaken, unless it be to their advantage to do so.

In our opinion the shifting of the yield in Western Canada from 73.5 per cent as originally accepted, to 75 per cent was a disguised method of lowering the price to the producer, and certainly the use of the various yields upon which settlement for rail graded hogs is made, constantly confuses the minds of producers. We cannot comprehend a



grading system which does not set out an average yield but rather permits processors to determine price by arbitrarily shifting and establishing yields.

In our opinion, if a yield of 73.5 per cent was by ample tests conducted by the Dominion Department of Agriculture, considered as fair and equitable, steps should immediately be taken to assure that carcass graded hogs are purchased upon that basis.

#### Grading of Hogs

The hog grading regulations state that all hogs sold alive shall be officially graded by a government grader. We understand that all hogs marketed at Stockyards are so graded, but at packing plants too frequently the government grader accepts and certifies the packer buyers grading of live hogs without first having officially inspected the hogs. It is suggested that if hog grading is to be done by a government grader, and we are agreed that it should be, the policy should be as rigidly applied at packing plants as at public markets. Further, we are of the view that it is humanly impossible for a government grader to undertake the carcass grading of hogs on the basis upon which it is now being done in the larger packing plants. We have no hesitation in suggesting that better grading would result from the placing of additional graders in the larger plants, giving more time for the inspection of each carcass.

#### Assembling and Transportation

The advent of the truck, plus the extension of country buying of hogs, has created an unsatisfactory condition in connection with assembling and transportation. It is our view that farmers are losing money through the indiscriminate selling of their products to country buyers who are operating without public regulation.

We are further of the view that farmers are losing money through indiscriminate shipping of their product, and the shrinkage and damage which results from unregulated traffic.

We believe it would be to the advantage of the industry that public regulation be extended to permit the licensing of all country buyers and those engaged in the transportation of hogs.

#### Recommendations

In making our recommendations to you, this delegation realized that it is not possible to eliminate all the problems of the livestock industry over night. Our present position has developed over a long period of years, and it will be necessary for some time to elapse before conditions can be brought to the point where the producer's confidence in the methods of marketing of livestock is completely established. However, we would, at this time, like to make certain recommendations which require immediate action.

#### WE RECOMMEND:

1. That government regulation in the swine industry be extended to include such matters as public control of grade premiums and discounts, dressing percentages in respect to rail grading, country buying, and transportation of hogs.
2. That government grading be extended to all hogs, whether delivered on public yards or to packing plants.
3. That the number of graders be increased to permit more time for inspection of carcasses.
4. That standard yield basis for rail grading be established relative to the yield of fed and watered hogs, and that once established this yield be the basis upon which all rail grade hogs are purchased.
5. That in particular, the discounts on grades of hogs below the basic bacon grade, be reviewed and adjusted. That this basis bear a proper relationship to hogs purchased on a fed-watered basis.

The recommendations which we have so far made, involve an extension of public control over the livestock industry which goes beyond the present statutes. This brings us to our major recommendation, namely, that the Livestock and Livestock Products Act

be so amended as to provide that the control of the livestock industry be exercised through a Board of Livestock Commissioners for Canada, paralleling in a general way, the regulation of the grain trade through the Board of Grain Commissioners for Canada and further providing that there be producer appointed representatives on the Board.

In advancing this suggestion at this time, we are not unmindful of the present national emergency and the responsibilities which devolve upon the livestock producer in seeing that necessary supplies are forthcoming to fill the needs of this country and its allies in the present war. We believe that that effort on the part of the producer will be forthcoming, but we also believe that that effort should be accompanied by very definite assurances that the producer will receive adequate protection at every point in respect to his wartime production. We believe, therefore, that the bringing of the whole livestock industry under thorough regulation under a Board of Livestock Commissioners, would give the livestock producer that degree of confidence and that assurance of fair dealing which are required to safeguard his efforts in respect to wartime production.

The Dominion government has now made an arrangement respecting the sale of Canadian bacon to the United Kingdom--an arrangement involving a fixed price for export bacon and involving a considerable control of Canada's bacon trade. We are fully in accord with the necessity of regulating this phase of our livestock industry. At the same time, we feel that the degree of control which is necessary in respect to the handling of Canadian bacon should be extended into a comprehensive regulation of the whole livestock industry under a Board of Livestock Commissioners for Canada. Such a board would be competent to deal with the administration of Canada's bacon trade during the war, and would, at the same time, be able to preserve a proper balance between the swine industry and other branches of the livestock industry.

We are therefore suggesting that the livestock industry in Canada should now be brought under public regulation under a Board of Livestock Commissioners for Canada, and that the board be constituted with producer appointed representation thereon. Powers accorded to a board of Livestock Commissioners, should cover among others, the following points:-

1. The administration of the grading of livestock.
2. The regulation of all purchasing agencies including country buyers.
3. The regulation of public and private livestock markets.
4. The establishment and maintenance of export standards.
5. The hearing and investigation of complaints from producers, marketers, or processors in respect to any livestock problems.
6. The regulation and publication of grade discounts.
7. Continuous study of the economic basis of the livestock industry including
  - (a) Methods of stabilizing livestock prices.
  - (b) Methods of securing a better seasonable distribution of marketing.
  - (c) Methods of securing and maintaining adequate feed supplies and promoting their distribution within Canada.
  - (d) Methods of improving the quality of livestock.
  - (e) Promotional work in securing export markets.
  - (f) Methods of narrowing the spread between prices to the producer and prices to the consumer.
  - (g) Methods for extending research and statistical facilities.
  - (h) All other matters affecting the livestock industry.

#### Cattle

So far we have dealt principally with the situation governing the marketing of swine. We would at this time like to direct a few brief remarks towards the cattle situation. The public market is still operating in respect to cattle, and in general, the marketing of this product is on a much more satisfactory basis. The export market now available in the United States is having an important effect in stabilizing the cattle situation.



The Canadian market is, and probably always will be, the large outlet for Canadian beef, and therefore the cattle industry is basically interested in the domestic market. To that end we believe that there should be an extension of the public beef grading system to ensure better quality and a more uniform product to the consumer. We feel that if such grading system, accompanied by an effective educational program among consumers, were established that we might look for improving consumption of beef in the Canadian market. We believe that grading so far applicable to beef has proved worthwhile, but that some of the advantages so gained have been lost through the indiscriminate sale of ungraded beef in the Canadian market, with its effect upon consumer demand. We recommend in particular that:-

1. The regulations and standards for the compulsory grading of beef be established and made applicable to the industry.
2. That all beef sold for retail from inspected abattoirs be graded.
3. That the development of a canned beef industry in Canada be given early consideration. War-time conditions provide an opportunity for the establishment of this industry which could probably be made a permanent outlet for a considerable amount of Canadian beef.
4. The exploration of the possibility of increasing dressed beef as a part of war-time effort. Many efforts have been made to develop trade in dressed beef in the past, but probably the fact of war may provide the opportunity which has not presented itself on a far-reaching scale in the past.
5. That an enquiry be made into the spread between wholesale and retail prices of beef.
6. That an enquiry be made to determine the effect of "Mass Buying" of beef upon the price paid by packers for live cattle.
7. That a study be made of the dietary value of beef, in the food value of the various cuts of beef, the best methods of preparing beef for the table, and ways and means of educating the public in connection with the purchasing of beef by grade, and that the results of investigations of this type be presented to the public through a carefully prepared educational program.

#### In Conclusion

In concluding our presentation today, we must express our appreciation of the care and attention which successive Dominion governments have given to the problem of securing markets for Canadian livestock. Perhaps no industry in Canada has been affected to the same extent as the livestock industry through repeated alterations in external markets. Markets have been opened up for us and markets have been closed. However, throughout the years, there has been a persistent effort made by the Dominion government to meet serious market conditions as they arose, and at no time has that effort been more persistent than during the depression years.

The bacon agreement with the Old Country has been of immense importance to the livestock industry, and the present arrangement in respect to the shipment of Canadian cattle to the United States was in a very real sense a "life-saver" as far as the cattle industry was concerned. These important developments in respect to external markets give us hope for the future, and it is our great desire that the livestock industry within Canada can be so organized and so mobilized as to secure the greatest possible advantages from all market opportunities which are available or may become available from time to time.

We trust that our suggestions on this occasion will be received in the spirit in which they have been offered, reflecting as they do our desire to create a new degree of confidence on the part of the producer in an industry which does mean so much to Canadian development.









